Deals/issues discussed with France

3022. SHRIMATI JAYA BACHCHAN: Will the Minister of DEFENCE be pleased to state:

(a) whether the Prime Minister visited France along with Air Chief Marshal recently; and

(b) what are the details of deals/issues discussed and finalised?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) No, Sir.

(b) Air Chief Marshal SP Tyagi visited France during June, 2005. During this trip the Chief of Air Staff visited the Paris Air Show interacted with the French Chief of Air Staff and visited their operational and training establishments. He also visited Istres Airbase (Fronce) to witness the Indo-French Air Exercise "GARUDA-II".

Delay in delivering of Naval frigates

3023. SHRI B.K. HARIPRASAD: Will the Minister of DEFENCE be pleased to state:

(a) whether during 2003-2004 naval frigates Talwar, Trishul and Tabar were delivered by a Russian firm after delays ranging from 7 to 13 months, at a total cost of Rs. 3040 crores;

(b) whether there were lapses by Indian Navy on synchronizing of training of the crew with actual delivery of frigates and whether the Navy had to incur a loss of more than Rs. 200.00 crores on improper retention of crew and their premature repatriation and also on failure to levy liquidated damages on suppliers; and

(c) the action taken by Navy to fix accountability for the lapses?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) and (c) There was no lapse on the part of the Navy in the synchronization of crew training and the delivery schedule of the frigates. On account of delay in delivery of ships, Liquidated Damages (LD) was imposed on the seller.

The issue of LD was settled through mutual negotiations and the seller agreed to adjust the amount of LD against extended guarantee for 2 years 4 months for the first two ships and 1 year 6 months for the third ship.

Contract for smart card system

3024. SHRIMATI KAMLA MANHAR: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Indian Army has awarded the contract for Smart Card Based Canteen and Grocery Management System (SCBCGMS) to Delhi based firm Smart Chip Limited without security clearance from various investigating agencies;

(b) if so, the reasons therefor;

(c) whether proper tender procedure as laid down by CVC has not been adhered to before awarding contract to above firm;

(d) if so, the reasons therefor; and

(e) what is the value of the contract with terms and conditions laid down by Government?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (e) Implementation of Quarter Master General's (QMG's) Branch Software on Canteen Inventory Management System (CIMS) software interfaced with smart cards has been awarded to M/s Smart Chip Limited after following the laid down procedures. Clearance from various investigating agencies was not sought as Army Head Quarters have assessed that the data pertaining to CIMS is not classified. However, all the employees of Smart Chip Limited who are involved in implementation of CIMS are required to obtain security clearance from the respective formation Head Quarters. They are not allowed to access any classified data or any area other than the canteens.

Limited tender was floated by Army Head Quarters, QMG's Branch as per the laid down procedures and finalized after vetting by the Judge Advocate General (JAG), Army.

There is no set value of the contract and as and when customers of the Canteen Stores Department opt to purchase the smart card, they are required to pay Rs. 100/- towards the cost of smart card to the Unit Run